

United States Senate
WASHINGTON, DC 20510

June 12, 2019

The Honorable Rostin Behnam
Commissioner
Commodity Futures Trading Commission
1155 21st Street NW
Washington, DC 20581

Dear Commissioner Behnam:

We write to commend you for convening a public meeting on climate-related financial risks in your capacity as the sponsor of the Commodity Futures Trading Commission's (CFTC) Market Risk Advisory Committee. As financial regulators around the world commit to addressing climate-related risks, it is encouraging to see the CFTC begin to prepare for the market risks that climate change will present. We hope our nation's banking and securities regulators take note of your leadership on this issue and take steps to identify and manage climate-related risks within their own jurisdictions.

Climate change is increasing the frequency and severity of episodic severe weather events like droughts, floods, and wildfires; it is also changing long-term climate patterns in ways that will lower productivity, devalue and destroy fixed assets, stress agricultural yields, and ultimately affect every sector of our economy. The markets and market participants that the CFTC regulates will not be immune to these risks. Climate change impacts are likely to exacerbate market volatility, erode investor confidence, and increase the risk of financial crashes.

The CFTC will increasingly play an important role in identifying and helping market participants mitigate these emerging risks. We strongly support your decision to assess climate-related risks to our financial markets and the impact on the stability of the global financial system. We encourage you to reach out to other financial regulatory agencies to urge them to follow your lead. We also encourage you to engage with the group of 36 international central banks and bank supervisors working together to develop analytic tools to assess climate-related financial risks.

Thank you for your efforts to begin reviewing climate-related financial risks. We understand you cannot do this alone. All of our financial regulatory agencies and Congress must work together to build resilience to this looming threat in our economy and financial markets. We look forward to working with you on this going forward.

Sincerely,



BRIAN SCHATZ
U.S. Senator



SHERROD BROWN
U.S. Senator